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INDUSTRIAL PRODUCTION FIGURES FOR THE FIRST TWO MONTHS OF 1984

PRODUCT	Feb. 1984	Jan-Feb. '84	% Jan - Feb '83 over Jan-Feb 1984
Electricity (bil.kw.hrs)	133.0	272.0	108.0
Petroleum (inc. gas condensate) (mil. tons)	48.4	100	100.1
Natural gas (bil.cu.mtrs)	46.7	96.2	109.0
Coal (mil.tons)	60.1	123.0	100.7
Steel(mil. tons)	12.4	25.7	104.0
Fertilizer (mil.tons)	2.4	5.0	104.0
Metal-cutting tools (mil.rub)	195.0	387.0	112.0
Robots (units)	0.98	1.7	172.0
Computer technology(bil.rub)	273.0	532.0	115.0
Tractors(1000s)	4.2	8.5	103.0
Paper (1000 tons)	464.0	969.0	106.0
Cement (mil tons)	10.1	20.7	102.0
Meat (mil tons)	0.7	1.6	110.0
Margerine (1000 tons)	133.0	271.0	104.0
Watches(mils)	5.5	11.2	97.0
Radios (mils)	0.8	1.5	103.0
Television sets (millions)	0.3	0.6	110.0
Automobiles (1000s)	110.0	223.0	104.0

INDUSTRIAL PRODUCTION FIGURES FOR THE FIRST TWO MONTHS OF 1984

A comparison of production figures for the first two months of 1984 compared with the first two months of 1983 is difficult. According to Soviet authorities, there was one extra work day in January 1984 compared with January 1983, and of course, 1984 is a leap year, so there is an extra day in February as well. As a result, the percentage change in production for the first two months of the year as well as for February 1984 looks very good. However, when computed on a day by day basis, the figures are not as impressive.

In the case of oil, for example, whereas the figures for January 1984 show a drop in production, given the extra day in February, there is an increase in production of February to February, and for the first two months of the year. However, on a day by day basis, production in February 1984 was a trifle below production on a day by day basis in February 1983. In any event, the drop in oil production does not seem to be as large as it had been for the months of October, November, December 1983, and January 1984. Yet, despite the official indication that production is higher, production did indeed drop.

Actually the situation in the petroleum industry is probably more complicated than it is in other industries. That is because the oil producers keep producing, whether or not there is a holiday. Thus, production on a January to January basis should be the same, and the fact that there is an extra work day in January 1984 should actually make no difference. Presumably the oil wells keep pumping, holiday or no holiday. Of course the fact that there was an extra day in January and February 1984 should make a difference

Production Figures....

in other industries, and should help to explain why production figures are as high as they are.

This should also help to explain why it is that automobile production, for example, is 4% higher in the first two months of 1984 than for the comparable period of 1983.

ANNOUNCEMENT+++++++

The University of Chicago Press has published a very long but impressive collection of articles entitled, "Soviet Natural Resources". This was sponsored jointly by the American Association of Geographers and it is considered to be a classic. The formal title of the book is called Soviet Natural Resources and the World Economy, and it's edited by Robert G. Jensen, Theodore Shabad and Arthur Wright. For more information you should contact your book store or The University of Chicago Press.

SOVIET SPACE PROGRAM: FROM SPUTNIK TO SALYUT

The Soviet Space Conference, held April 9th at the Harvard Faculty Club, was well attended, and featured a diverse group of speakers from both academia and government. The morning panel focused on an analysis of historical and present trends in Soviet Space technology. On the panel were Marcia Smith of Congressional Research Service, Dr. Carter Alexander of the National Aeronautics and Space Administration, Dr. Paul Rambaut, Chief of the Space Medical Branch at NASA, and Michael Nacht, Associate Director of the Center for Science and International Affairs at Harvard.

The afternoon panels were Prospects for Soviet Space Activity in the 1980's and beyond (given by Saunders Kramer, Fellow of the British Interplanetary Society), and U.S.- SOVIET Space Cooperation: Apollo, Soyuz and After, which featured Philip Chandler from the Office of Technology Assessment, Harvey Meyerson (Aide to Senator Matsunaga) and Louis Friedman, Executive Director of the Planetary Society, which is under the direction of Carl Sagan.

CORPORATE SPONSOR SEMINAR ON HUNGARY SET FOR MAY 7th

As its final corporate sponsor seminar of the year, the Russian Research Center will convene a one-day look at Hungary. We will be looking at the political and social developments, as well as the economic side. We expect to have some senior economists and bankers coming directly from Hungary to speak on this program. In addition there will be several spokesmen from the business community discussing their experiences. An application form is enclosed.

The Russian Research Center takes no official stand on any economic or political matter. The views and analyses expressed in the Newsletter are those of the authors directly associated with the article in question, or unless otherwise stated, with those of the editor, Marshall I. Goldman.

The RUSSIAN RESEARCH CENTER 1984

CURRENCY FIGURES

Rubles purchased per 100	March 1983	Feb 1984	March 1983
Austrian shilling	4.30	4.14	4.28
U.K. pound	108.97	113.72	113.57
W. German mark	30.22	29.31	30.15
U.S. dollar	72.25	79.00	76.85
French franc	10.51	9.49	9.75
Japanese yen	.304	.338	.346
Italian lira	.0508	.047	.0484
Swiss franc	34.97	35.93	36.34

The currency exchange figures released by Gosplan for March 1984 reveal that the U.S. dollar, the U.K. pound, the Japanese yen and the Swiss franc have all increased over the last year, and all others have decreased. Over the last month the Italian lira, Swiss franc, Japanese yen French franc, W. German mark and the Austrian shilling have all shown improvement, with only the U.K. pound and U.S. dollar decreasing.

SOVIET FOREIGN TRADE FIGURES FOR 1983

The Soviets have just released their trade figures for the past year. The most notable accomplishment is that the Soviets managed to increase their exports by 800 million rubles, while holding the increase in their imports to 100 million rubles. As a result, they were able to reduce their regular trade deficit by about 700 million rubles. This of course excludes exports of gold and arms. If those two items are included, the Soviet Union had a very positive trade balance.

The increase in exports took place largely because of a significant increase in exports to Great Britian of about 350 million rubles and a similar increase in exports to France and Sweden. At the same time, there was a decline in exports to the Netherlands of almost 300 million rubles. This does suggest that the Soviets may have cut back a bit on their petroleum exports, since the Netherlands in the past was one of the main recipients of petroleum. Britian heretofore has not taken much petroleum from the Soviet Union, at least in recent years. Moreover, initial reports indicate that British purchases of Soviet petroleum actually declined in 1983 as compared with 1982. Consequently, the Soviets must have found some other major commodity to sell to Great Britian.

On the import side, the most important element was the significant drop in imports of products from the United States, including grain. Imports from the United States are down by a half billion rubles. However, it is interesting to note that imports from Argentina did not increase very much, and at the same time imports from Canada, Australia and New Zealand also dropped. This suggests that agricultural imports into the Soviet Union in 1983 were considerably below what they had been in 1982.

Responding to pressure, the Soviets increased their imports from France by about half a billion rubles. The French had been very upset about the imbalance in their trade with the Soviet Union and had threatened to cut back their purchases of petroleum, unless the Soviets did more to buy French goods. There still is a trade imbalance, but it is now 700 million rubles rather than 1 billion rubles in the Soviets' favor. The Soviets also increased their purchases from Germany but cut them back sharply from Japan.

The imports from Japan were down almost 800 million rubles. The Japanese have been quite disturbed by this. In fact imports from Japan were cut more sharply than were imports from the United States. see pg. 4

If you have not already done so, we urge that you return to us the postcard which states that you wish to remain on our Newsletter mailing list. If you have lost the postcard you may call and inform us. Otherwise we will remove your name if we do not hear from you in the upcoming month.

CONFERENCE ON THE POLISH CRISIS AND ITS LESSONS MARCH 30th, 31st and APRIL 1st, CAMBRIDGE MA.

The conference was sponsored by the Russian Research Center of Harvard University and organized by Zbigniew Pelczynski of Oxford University, Visiting Professor in the Government Department at Harvard (with the assistance of Henry Norr). It was held in conjunction with the New England Slavic Association and funded by a generous grant from the Ford Foundation.

The conference opened with a survey by Prof. Gordon Skilling of major developments and the different kinds of crises in the Soviet Bloc since World War II. The subsequent five sessions were:'Solidarity and the crisis in Poland','The Polish disease in the economy and its equivalents elsewhere in East Europe', 'The weakening of the party in Poland and its position elsewhere in East Europe', 'Trends in political culture: consumerism, ideological decline and tradition revival', and 'The lessons for the East and the West'. The 18 speakers came from Harvard or other Boston area universities(7), universities in the US(5), Canada(3) and England(3). Half of the speakers had first hand experience of Czechoslovakia, E. Germany, Hungary and Poland. A wide range of expertise on problems of Communist systems and international relations was represented, and although the conference was dominated by discussion of the many dimensions of the Polish crisis, a broader East European perspective was provided as well.

The panel presentations were recorded on tape and may be available for consultation.

BALANCE OF TRADE 1977, 1978, 1979, 1980, 1981, 1982, 1983

Millions of Rubles

	EXPORTS FROM THE USSR							IMPORTS TO THE USSR						
	1977	1978	1979	1980	1981	1982	1983	1977	1978	1979	1980	1981	1982	1983
Austria	352	371	442	580	854	675	566	263	272	368	396	507	535	787
Belgium	353	408	533	842	747	1032	991	220	257	286	383	450	573	611
Gr.Britian	958	836	1094	859	645	813	1185	375	662	811	953	858	752	632
Greece	237	189	180	409	538	533	533	78	70	65	92	100	122	155
Denmark	200	193	301	261	252	300	290	50	46	72	80	208	64	65
Spain	163	113	152	251	274	159	300	63	93	144	152	375	166	250
Italy	1091	1112	1292	2111	2484	2821	2998	790	858	863	934	1002	1222	1436
Nether-lands	399	300	903	1027	1019	1505	1224	166	162	243	361	458	359	489
Norway	72	59	87	49	52	93	80	52	66	51	79	96	72	102
Portugal	79	59	88	91	146	45	40	37	32	35	37	37	43	38
Germany	1343	1498	2218	3096	3635	4065	4067	1780	1969	2485	2989	2703	2913	3360
France	820	840	1426	2242	2525	2228	2422	904	974	1198	1510	1665	1268	1728
Switzer-land	153	286	314	445	331	353	510	222	225	276	403	497	411	345
Sweden	277	312	554	355	291	409	652	228	190	223	322	347	345	255
Japan	853	736	944	950	817	757	825	1444	1583	1661	1773	2213	2926	2176
SUBTOTAL	7350	7312	10528	13568	14610	15988	16683	6675	7459	8781	10464	11516	11771	12429
Sub-Balance Trade								+625	-147	+1747	+3104	+3094	+4217	+4254
Argentina	13	22	25	30	31	28	26	193	309	289	1162	2372	1265	1300
Brazil	104	34	20	22	16	180	107	210	130	160	253	534	416	591
USA	272	253	350	151	183	155	331	1262	1599	2487	1352	1662	2072	1570
Canada	49	29	32	30	50	21	24	368	359	453	972	1377	1378	1278
Australia	4	5	5	6	11	14	12	325	275	393	775	538	510	404
New Zealand	3	3	3	3	7	8	6	119	42	114	167	168	230	179
TOTAL:	7795	7658	10963	13810	14908	16394	17189	19152	10173	12677	15145	18167	17642	17751
Balance of								-1357	-2505	-1714	-1335	-3259	-1248	-562